

NSR Stakeholder Meeting Notes July 28, 2004 – Columbia, SC

Attendees:

Ted Bach, Keith Bartlett, Liz Basil, Tracy Beer, Robbie Brown, Terry Davenport, Laura Dzamka, Tommy Flynn, Briggs Hamilton, John Hursey, Courtney Kerwin, Richard Langford, Jim Little, Henk van der Meyden, Duane Mummert, Jenn O'Rourke, Leon Outlaw, Heather Preston, Larry Ragsdale, Christie Renken, Lisa Shelton, Ben Williams, Scott Winburn, Jim Witkowski

Presentation by Jim Little EPA Region 4

- Jim Little of EPA Region 4 was present to give a summary of the nonattainment New Source Review program. Prior to the start of the presentation, Robbie stated that South Carolina has very little experience in permitting in nonattainment areas, but stated that the Department was working on developing methods to write the permits.
- Jim began his presentation by giving a brief summary of what had changed, and a time-line of events for 8-hour ozone nonattainment areas.
- Jim then discussed items to be covered in phase II of the 8-hour ozone implementation plan as it pertains to NSR. These revisions will be addressed either through Phase II or proposed revisions to Appendix S.
 - EPA will define offset ratios to be used in both Subpart 1 (basic) areas and Subpart 2 (marginal, moderate, etc.) areas.
 - NO_x waivers are not available. Both NO_x and VOC's will be subject to regulations. There is a provision for the waiver in section 182(f) of the Clean Air Act, but this is for a VOC waiver which will not help South Carolina.
 - EPA will address offset emissions from past shutdown and curtailments. Jim stated that the age of the shutdown/curtailment will be addressed by phase II, but typically, a source cannot use these types of emission credits until the State has an approved attainment plan. The baseline year for the 8-hour ozone standard is 2002, so it is possible that shutdowns/curtailments prior to this date will not be creditable for emission offsets.
 - Georgia is the only state in Region 4 that has a banking program for the Atlanta area. EPA will address how credits banked under the 1-hour ozone standard can be used under the 8-hour standard.
 - EPA typically only allows emission offset credits to come from sources within the same nonattainment area. This could cause some difficulty for multi-state nonattainment areas (like York County). EPA will address location of the offset credits in the phase II implementation plan.
 - EPA may consider inter-pollutant offsets (NO_x for VOC and vice-versa). This will probably be a decision left up to the states to decide if they want to include in their program.
 - In order for an emission offset to be acceptable, it must be real (no paper reductions), permanent, quantifiable (based on CEMS data, mass-balance equations, etc.), enforceable, surplus (cannot have been used for another regulation, -use of VOC reduction required under a MACT compliance for emission offsets for the 8-hour standard will not be allowed), and year round (even though ozone is seasonal, EPA may require year round reductions).
 - Serial offsets may be allowed. This is where a new source acquires offsets from a certain company in one year, and then obtains subsequent offsets from different companies in other years). This would be difficult to administer, but may be an option for the states.

- Mobile emission reduction credits (MERCs) would allow a stationary source to offset new emissions by reducing emissions in the mobile source section (i.e., retrofitting school buses).
- EPA may require an alternatives analysis. This is basically a mini environmental impact statement (required under section 173(a)(5) of the Clean Air Act) that requires a source to determine that the costs of alternative locations, sizes, production rates, and environmental control devices vastly outweigh the benefits of not having the source in the selected area. Environmental Justice concerns need to be addressed as well.
- Jim also mentioned that since NO₂ is a component of NO_x a facility in a nonattainment area will be subject to NSR (since NO_x is a precursor of ozone) as well as PSD for NO₂.
- Jim also discussed NSR for PM_{2.5}. Currently, the EPA is in the process of designating these areas. There is no implementation plan for PM_{2.5} at this time.

Next steps

- Some stakeholders had comments during the meeting, but decided to send written comments to the Department by mid-August for discussion at the next meeting. The Department and stakeholders feel that the regulation needs to be sent through its approval process without waiting for phase II of the implementation plan to be published. Therefore, the Department will take the PSD and NSR regulations before the Board in October for initial approval, and back to the Board in January 2005 for final approval. After final approval has been secured, the regulations will then proceed to the State House for Legislative review.

Next Meeting

- September 8, 2004; (**Tentative**)

Comments for Next Meeting due: Comments for Standard 7.1 (nonattainment NSR) are due by the middle of August.